

Medi-Cal Reform
Potential Changes for Specialty Mental Health Services
DISCUSSION PAPER

Governor Schwarzenegger, in his proposed budget for FY 2004/05, announced his intention to seek federal approval to redesign Medi-Cal in order to contain costs while avoiding deep cuts in eligibility of benefits. The types of changes under consideration represent fundamental changes to Medi-Cal. The focus for Medi-Cal specialty mental health services has been on outpatient services to children and youth because the state provides the majority of the matching funds for those services. The pressures on county mental health realignment funding which is the primary source of funding for mental health services for indigent populations and a major source of required state/local matching funds for Medi-Cal are also significant.

As part of the redesign process, the California Health and Human Services Agency is seeking stakeholder input on the State's proposed changes and suggestions for new ideas for the program. A partnership between the state, the California HealthCare Foundation and The California Endowment, will implement a process to solicit, receive and organize public input and technical expertise. Several workgroups will focus on the specific aspects of the reform. For specialty mental health services, there will be an additional stakeholder Input Process to develop strategies for specialty mental health services that will be then included in the overall stakeholder process.

The administration has proposed exploring option to increase state flexibility regarding federal requirements for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) specialty mental health benefit. In addition, the public process will receive input on other potential changes to the Medi-Cal Specialty Mental Health Services benefit that are affordable to both the state and counties and consistent with system of care principles. Following is a list of preliminary ideas for discussion that were compiled from discussion with constituents. The department does not have a position on these issues pending further input through the stakeholder process.

- ❖ Broaden sites where federal reimbursement for Medi-Cal services can be obtained.
 - Freestanding psychiatric hospitals and psychiatric health facilities greater than 16 beds serving adults for inpatient services.
 - Juvenile detention facilities for youth prior to sentencing.
- ❖ Replace day treatment intensive and day rehabilitation for adults with partial hospitalization.
- ❖ Add recovery oriented consumer operated peer support services for adults at risk of repeat hospitalization.

- ❖ Add integrated treatment of substance abuse disorders for adults at risk of repeat hospitalization.
- ❖ Eliminate federal managed care regulation requirements except for compliance.
- ❖ Eliminate requirement for Uniform Method for Determining Ability to Pay (UMDAP) for Medi-Cal beneficiaries.
- ❖ Clarify requirements and what's allowable, in terms of Medi-Cal federally reimbursable treatment/services.
 - To support employment goals.
 - For individuals with co-occurring substance abuse and mental illness through the Mental Health Plans, including allowing detoxification services in crisis stabilization.
 - For adjudicated youth in juvenile hall and awaiting placement.
- ❖ Provide samples of acceptable documentation, policies and procedures.
- ❖ Establish strategies to facilitate service delivery for individuals placed out-of-county.
- ❖ Review and streamline administrative requirements, including a focus on strategies for small counties.